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I am a practicing plaintiff's lawyer and have paid and received numerous referral fees. I am strongly in favor of the proposed rule change. Clearly, this is directed at firms that have a business model of advertising and referring clients. I agree that allowing lawyers to pay referral fees results in family lawyers referring their clients to practitioners that have more expertise in a given area. Otherwise, for example, a divorce lawyer may be tempted to handle a complicated auto accident himself if he was unable to refer the matter to a lawyer that could maximize recovery and pay a referral fee. I believe the original intent of the rule was to encourage lawyers without expertise in a given field to refer the client to a more skilled lawyer in that area. But, the rule has been perverted. There are law firms in Michigan that have created a business model of millions of dollars of advertising and then referring these unsuspecting clients to law firms that pay the highest referral fee. I understand that some of these firms seek a 50% referral fee. I believe that paying a 50% referral fee results in a high volume practice that does not serve the client.

There is simply no justification to allow law firms to basically fool the public into thinking the firm they are hiring has the personal touch and experience, when in actuality, they are merely a claim broker. Clients are simply not served by these fundamentally dishonest ads. If this rule is not adopted, why not simply allow any non lawyer to advertise and receive referral fees? Because clearly, having a law license does not add any layer of protection to any of the clients that call the advertising lawyers. I thought the idea was that only attorneys could receive referral fees, so the clients would be assured of some type of ethics and oversight by the referring attorney. But with this level of advertising and referring, there cannot be any oversight to justify not opening up the referral business to anyone. I would much prefer that only lawyers be allowed to receive a referral fee and that referral fee be limited to 25%.

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